

ADDRESS BY ALLEN WELSH DULLES, DIRECTOR OF CENTRAL INTELLIGENCE, BEFORE THE ADVERTISING COUNCIL, 19 SEPTEMBER 1957, ST. FRANCIS HOTEL, SAN FRANCISCO, CALIFORNIA.

1. It is a privilege to have this opportunity to recognize publicly the generosity of the Advertising Council in devoting so great a share of its time and resources to promoting public causes in the general welfare. You have been in the forefront of campaigns to alert the people of this country to the dangers of alien and destructive movements such as international communism. You have freely supported those great causes which promote domestically and internationally the ideals of our people. As one in Government who has had the opportunity of judging of the effectiveness of this work, I wish to express gratitude.

2. Furthermore, no organization is more deeply concerned with the impact of ideas on human behaviour than the Advertising Council. Here, I presume, you have undoubtedly found many ideas of transitory

Approved For Release 2001/03/04 : CIA-RDP80-01446R000100020006-9

value; some effective for a brief period or under special conditions or for the accomplishment of particular objectives; some having influence with certain classes of people; and other^s of general appeal, evidently of permanent and lasting value.

3. In past history there have been many great revolutionary movements. Some were promoted by religious fervor, some by brute military force, many by a combination of might and assertions of right. These movements have had their day--long or short--many have passed into obscurity. Some have had broad geographic appeal--some were limited to a particular area. Our civilization, despite the dark ages, has been tough enough to survive the most vigorous and long-lived assaults on mind and body.

4. In the last few decades we ourselves have been living through periods of great change--so great that at a given moment it is difficult to get a true perspective even of events in our immediate

surroundings. It is doubly hard to get this perspective as regards countries as distant and as different as the Soviet Union and Communist China. Yet our welfare is intimately related to what goes on in this Communist third of the world, since its policies and intentions, its programs and leadership vitally affect our own policies and the welfare of our own people.

5. Tonight I propose to undertake the ambitious task of analyzing some of the recent happenings within the Communist world and I shall be bold enough to draw certain tentative conclusions based upon my conviction that radical changes are taking place and more are in the making.

The initial ideological fervor, I believe, is seeping out of the international revolutionary communist movement. Marxism was not designed for the atomic age of the mid-twentieth century. Effective as Communism has been in establishing control of two

powerful nations and a number of Satellite countries, it is beginning to show weaknesses in coping with the complex industrial and technological problems of today. It has failed to devise a political system capable of commanding the loyalties of governed peoples without resort to the cruel barbarities of mass terror.

As a result, Communism has satisfied neither the ideals, the aspirations, nor the needs of the people subject to its domination.

Accordingly, the leaders of international communism are being forced to review their situation and to undertake projects leading to major changes--changes which strike at the very heart of the system.

✓ The theories of Marx and Lenin have proved useful verbal window-dressing behind which the Communists established their monopoly of political power--the so-called dictatorship of the proletariat. These ideas are of little aid in guiding Communist dictatorship in meeting the challenge of the world today.

6. All this tends to the conclusion that communism as a revolutionary movement, like other revolutions, is ~~beginning~~ beginning to run out of steam within the Soviet Union, though, as an export commodity it is still attractive in many parts of the world.

At some point the drive seems to leave revolutions. The prophets die. Their followers for a time mouth selected precepts convenient to their aims and forget the rest.

7. So it seems to be with the Soviet brand of communism. What prophet is there left in Soviet Russia? Stalin has been discredited. Marx and Lenin are still given lip service, but their advice and counsel have little applicability to the highly technical problems of modern civilization. The ebullient and intensely practical Khrushchev is unlikely to blossom out as a creator of new Communist doctrine though his impetuosity and unpredictability remain ~~matter~~ a matter of grave concern in an international situation as tense as that of today.

8. When Stalin disappeared from the scene a little less than five years ago, he left a troubled heritage. His later years of dictatorship had brought the Soviet Union close to war and disaster. Ventures in Greece, at Berlin, and finally in Korea had opened the eyes even of the credulous abroad. Domestically the harsh measures of forced industrialization and military buildup, highly successful as they were technologically, had shown little regard for the needs of the people. Moreover, the reckless cruelties of the secret policy had created popular unrest, suspicion and despair. Khrushchev told us the story of how terror-ridden Soviet life had become, in his now well-known secret speech at the 20th Party Congress over a year ago--^{and a half} a speech still unpublished in the Communist world. It was too strong medicine for popular consumption, although bits and pieces of it were allowed to leak out.

9. Stalin's successors had the difficult task of tempering a dictatorship but yet maintaining complete authority, of doing away with the Stalinist type of secret police repression and yet keeping the people

in iron discipline, of maintaining a tight rein but still creating the impression, and giving some of the substance, of a new measure of freedom.

10. Beria found it hard to fit into this picture. He did not want to relinquish his personal control of the secret police, and he was liquidated. The police lost this battle and since then it has been the military rather than the police who have been the decisive element where force or the threat of force was required to support a political decision.

11. After the Beria crisis we were told that the dictatorship of the proletariat had become a collective leadership--more properly described as a collective dictatorship. True enough, the crisis of readjustment to the post-Stalin era brought together in uneasy harmony the surviving members of the governing body known as the Politburo or the Presidium of the Party. Many here at home and abroad wrongly

estimated that this might be an enduring form of government. Actually bitter personal rivalries and basic differences of philosophies and outlook remained unreconciled.

History indicates that ultimate authority to make crucial decisions must rest firmly somewhere and that "somewhere" is unlikely for long to be in a collective. Majority rule can be decisive for legislative and judicial bodies but it does not function satisfactorily in the executive field, where decisiveness and action is called for. American experience with the Continental Congresses and the Articles of Confederation demonstrated this fact to the satisfaction of the drafters of our Federal Constitution and gave impetus to the adoption of a better system that has given this country a century and a half of effective government.

12. For a time, in the Soviet Union, Malenkov tried to lead the collective team, seemingly down a course which promised a better

break for the people than they had ever had before. In 1955 he was forced to confess to failure and Khrushchev took over again, allegedly committing himself to the collective rule formula. Then, last June, when the almost inevitable sharp conflict of opinions emerged, the collective broke down and, with the support of the military, Khrushchev eliminated his rivals--Molotov and Kaganovich, who really felt that the old Stalinist techniques and foreign policies were preferable, and Malenkov, who due to his relative youth, political experience, and apparent popularity, was a dangerous potential rival. At the moment Khrushchev is busily engaged in implicating Malenkov in the crimes of Stalin's later days, classing him as "shadow and tool" of Beria. Since Beria was shot for treason, the threat to Malenkov is naked enough for all to see.

13. So the history of Soviet governmental changes repeats itself, although in a slightly different pattern from that of the two

two previous decades. The recently purged have not yet been liquidated

like Beria or eliminated by mock trials such as those of the late 1930's.

With a touch of almost sardonic humor, the miscreants have been assigned to the oblivion of Siberia or to the outer darkness of Mongolia.

14. It was the hand-picked Central Committee of the Communist Party, with the backing of the Army, which played the decisive role last summer. This suggests that the Politburo on its own can no longer deal with recalcitrant members, at least in a situation where the issues are closely drawn and where those to be eliminated are not in a hopeless minority.

The claims that the purpose of these changes is to get back to the pure Leninist Communism of the past is mostly camouflage. No differing theories of Communist and Marxist dogma played a decisive role in this struggle. It was a question of power politics in a situation where hard decisions had to be made in both the domestic and foreign

fields--where neither Marx nor Lenin nor even the discredited Stalin, was a useful guide. There were in fact very deep and fundamental divergences of views among the members of the Politburo, and the collective failed to function because the differences were not susceptible of compromise.

Three main issues divided the Soviet leaders. The first concerned the decentralization of industry.

After years of extolling the virtues of a centrally planned economy, some of the Soviet leaders have recently begun to stress the need of local initiative to improve efficiency at the plant level. By the use of local resources, it was hoped to minimise the burden on transport facilities, ^{avoid} minimize duplication of effort and stimulate managerial initiative. Acting on these theories, Khrushchev forced through a program to decentralize away from Moscow many elements of control of the great industrial machine. In the most sweeping reorganization of the economic management machinery since the first Five Year Plan

Approved For Release 2001/03/04 : CIA-RDP80-01446R000100020006-9

since 27
was adopted in 1928, ~~the~~ specialized economic ministries of Moscow

in
were abolished and replaced by 105 regional economic councils.

Go plan etc

Last June, several of Khrushchev's colleagues tried to reverse all this.

The logic of the reorganization is readily understandable if one tries to conceive of the bureaucratic mess which would result from the attempt to manage from the Capital an industrial complex more geographically dispersed than that of the United States and roughly *nearly?* one-half of its size.

There should be eventual economic benefits from the decentralization, but Khrushchev's plan will create as many problems as it solves. A long period of transitional confusion is probable while new administrative command and coordination channels are worked out. In the longer run, there is the danger for the Soviet Union that a kind of economic provincialism will develop to threaten the dominance of the central government.

Many of Khrushchev's colleagues is clear. The decentralization will remove some of the power from the Central Government in Moscow

Politburo are in a position to exercise direct and decisive influence,

Khrushchev, through his control of the party machinery throughout the Soviet Union, and the military, presumably represented by Marshal Zhukov.

The second subject of difference among Soviet leaders in

June was over the agricultural problem, often called the Achilles heel of the Soviet system. Here Khrushchev was pressing for ever-increasing areas of State-controlled farm lands, on the pattern of the huge

development he had started in the so-called "virgin lands" east of the

Caspian, in order to make good the shortcomings of Communism's

greatestiasco - the collectivized farm system.

For many years Soviet emphasis on heavy industry and military strength drained manpower and capital investments away from the farms, making agriculture the stepchild of the Stalinist economy. In contrast with the rapid growth rate of other parts of the Soviet economy, for the past twenty years Soviet production of agricultural commodities has failed to increase as fast as the population of the USSR.

After all, soil conditions, rainfall and temperature norms do not favor the Soviet Union despite its vast area. Considerably less than 10% of the country is likely to produce reasonable agricultural yields in normal years. Moreover, the combination of ignorance, poverty, bureaucratic mismanagement, and Communist neglect of personal incentives (as a motive) have resulted in an inefficiency of farm labor so great that it takes about one farm worker to feed and supply every four persons in the USSR, whereas the ratio in the

United States is about one for every sixteen persons. Hence, 45% of Soviet labor is on the farms as compared with 10% of American workers.

Khrushchev's personal responsibility for the policy of investing heavily in the semi-arid, agriculturally marginal "virgin" lands is very great. So far he has been lucky, with one excellent crop and one fair one. This year (1957) promises to be only fair and there is no doubt that many Soviet leaders fear a major crop failure as the moisture is used up in the new lands. Even Mikoyan, who has stuck with Khrushchev so far and now is probably the number two man in the regime, is said to have been dubious about the "virgin" lands program. Its final success or failure is still to be determined and Khrushchev's reputation is deeply involved. He has promised his people equality per capita with Americans in milk and butter by 1958 and in meat by 1961. This latter would involve an increase of 3 1/2 times in meat

*and
turns*

production which is ambitious, even taking into account the noted fertility of the rabbit, which is included in the Soviet calculations.

Finally, a third point at issue between Khrushchev and his opponents lay in the related fields of foreign policy and policy toward the European Satellites. Here Khrushchev was attacked by Molotov and his followers for having weakened the Soviet position by his policy of reconciliation with Yugoslavia and by his Austrian settlement. He was vulnerable to the charge of having opened the flood gates to revolt by stimulating support for the doctrine of "differing roads to Socialism," a heresy that is now threatening the monolithic structure of the Soviet empire.

For a time during the Hungarian Revolution, the ranks in the Soviet leadership seemed to have closed and Khrushchev personally as well as his opponents must bear the responsibility for the ruthless intervention in November 1956. The scars of dissent remained, however, and in the indictment of Molotov by the Central Committee, his

Yugoslav and Austrian policies are the subject of particular criticism.

Hungary goes unmentioned.

pretty clear now
Moscow's present policy on the European Satellites remains
an unresolved issue even though many of the contending protagonists

from 1955
have disappeared. Though Molotov's harsh policy has been repudiated,

Khrushchev fears the contagious influence of granting more freedom

anywhere. Certainly none of the Soviet leaders care to remember the

precepts of Lenin, who had this to say in 1917:

"If Finland, if Poland, if the Ukraine break away from

Russia there is nothing bad about that No nation can

be free if it oppresses other nations."

15. These were the major issues on which Khrushchev fought
and by an eyelash won the leadership of the Soviet Union. But there are
many other burning problems facing the new group ruling the Soviet
Union.

16. First of all, they have to face the problem of East-West contacts, which for propaganda purposes at least they strongly claim they favor. Can the leaders really permit the people of the USSR to have knowledge of the facts of life? Do they dare open up to the press, to radio, to television? Except for certain supervised and guided tours, the answer to this so far seems to be "no." We can guess ^{alarmed} how frightened they are from their panicky warnings to Soviet youth about being deceived by the words of the American boys and girls who went to Moscow recently for the big Soviet Youth Festival. A few days after the Festival, young Communists were told to "struggle against penetration of ideology, morals and customs that are alien."

17. Similarly, they do not dare publish such documents as the Khrushchev secret speech, the U.N. report on Hungary, nor the resounding and fundamental attack on Communist doctrine by the Yugoslav, Djilas, in his recently published book, "The New Class."

18. Instead of dealing with such criticisms openly, Soviet
answer obliquely
leaders try to sweep them under the rug and keep their own people in
the dark.

When the moving, highly realistic novel by Dudintsev, with
the eloquent title of Not By Bread Alone evoked great popular interest
careless, individually
because it showed some of the seamier side of political life in the Soviet
Union today, all the big guns of the Soviet regime began to fire at the
author and Khrushchev himself recently lambasted Dudintsev's book as
misguided and dangerous. *admitted it had*
some value

By and large the bulk of the Russian people still live in a
have little or no knowledge
dream world about everything outside the USSR, and the most tragic

part about this is the distorted facts and fancies the Soviet leaders give
'certain times'
their own people about the allegedly hostile attitudes of Americans
toward them. The exchange of a few controlled delegations is not enough.

The barriers to information and knowledge must be torn down.

Approved For Release 2001/03/04 : CIA-RDP80-01446R000100020006-9

21. Probably it is out of respect for the growing perceptiveness

of the Russian people, and at least out of recognition of popular yearning

for peace, that Soviet leaders have been forced to give lip service to
disarmament, another grave problem before the Moscow leaders.

Now that the issue of conceding some form of inspection and control
in the USSR is squarely presented, they are hesitating. This prospect
goes against every tradition and instinct of the secretive and suspicious
Communist dictators.

22. These are some of the practical issues which Khrushchev

and company now face. Their solution is not easy. After all, a

dictatorship, whether of the *Party* proletariat or of the Hitler type, can

for a time exact great sacrifices from their peoples and achieve great

materialistic accomplishments. In fact, for a limited period, it may

be easier for a dictatorship to make steel than bread and butter --

easier to build a mighty war machine than to satisfy the moral,

Approved For Release 2001/03/04 : CIA-RDP80-01446R000100020006-9

19. The Soviet leadership also has to deal with the problems created by their own educational system and by the development of an industrial and technical elite. Under the lash of its pell-mell industrialization program, the USSR in the past decade has enormously speeded up the education of the Russian people, particularly in the scientific and technical field. As a result the USSR is turning out hundreds of thousands of graduates of schools corresponding to our high schools and colleges. It is true that they emphasize scientific and technical fields much more than social sciences and the humanities, but knowledge is not an inert substance. It has a way of seeping across lines and into adjacent compartments of learning. The Soviet leaders I firmly believe cannot illuminate their scientific lecture halls and laboratories without also letting the light of truth into their history and economics classrooms. Students cannot be conditioned to turning

off their analytical processes when the instructor changes a topic.

20. The education which Soviet leaders give their people is a dangerous commodity for a dictatorship. Men and women who have their critical faculties sharpened are beginning to question why the Russian people cannot be freed from rigid Communist Party and police-state discipline, given a greater economic share of the fruit of their labors, and allowed to share -- at least by an effective expression of consent-- in their own governing. The technical and managerial elite which has been created to run Soviet industry--which is now being decentralized by Khrushchev and given heavy responsibilities for regional economic policy--are going to be hard to restrain from using their critical skills to question the cumbersome governmental and Communist Party bureaucracy and what it is doing--or not doing-- to give them a better life.

*dominated by
party who
in carrying out*

technologically trained

spiritual and material needs of a great and diverse people. This is certainly the case with the Communist dictatorship in the USSR.

23. Today Communism is more valuable as an article of export than it is as a solution for the problems of a country like the Soviet Union, which is making great strides in fields of material progress but which has still found no way of creating a structure of government responsive to the needs and aspirations of its people.

*claim
They consider it
no democracy
tradition in Russia*

24. Undoubtedly in many areas of the world, particularly those recently freed from Colonial rule, the image of Communism still has a great appeal. It seems to combine the advantages of strict discipline at the top with quick industrialization--factors which appeal to new nations struggling with the task of making a government work among peoples who have had little experience with it and who at the same time have the desire to become quickly an industrial force in their own right.

25. The politically unsophisticated peoples of the under-developed nations have yet to learn what the peoples of the Communist world are slowly coming to understand about Marxism and industrial growth. Djilas, the Yugoslav Communist heretic, put it well:

"Modern Communism began as an idea with the inception of modern industry. It is dying out or being eliminated in those countries where industrial development has achieved its basic purposes. It flourishes in those countries where this has not yet happened."

In fact, I would add to this that the force of ideological Communism seems weakest in those countries like the USSR, where it has been the longest in control. It is strongest in the minds of these peoples in the under-developed areas of the world where they have had no practical experience with it.

See point above
doubtful in Indonesia
important factor is
convergence of socialism
+ nationalism - USSR

7 10 million Hungarians after a decade of experience with it, and at the risk of their lives, gave it such a resounding vote of no confidence.

The people of Russia if given the time to ~~xx~~ continue their evolution already well started, out of the narrow bounds of Communist dictatorship, will themselves help to find a peaceful answer.

Viewed in broad perspective, Communism is only one of the many great revolutionary movements that have swept into world history. Such movements seemed to combine an ideology or a faith expressed as a program of action; and a discipline through a political or military machine capable of organizing the energies of the people in order to carry out the ideas that have captured their imaginations and loyalties.

Soviet Union + 20th Century Islam

I realize that historically ~~analogies~~ analogies are notoriously treacherous.

But there may be food for thought in comparing the evolution of Soviet Communism with the classical periods of revolutionary movements. Possibly the closest parallel in history is with the French Revolution.

The pattern seems to be this: the intellectuals desert their political institutions and adopt what they call a "Reform Program." Then, revolutionary elements take over from the intellectuals and seize power, generally beginning with the moderates of the Danton type, and

French analogy

Approved For Release 2001/03/04 : CIA-RDP80-01446R000100020006-9
passing through the extremists like Robespierre, with a reign of

inhuman zeal and terror. Successive groups of leaders are destroyed with each change in the tempo of the revolution. As Vergniaud said in the course of the French Revolution, "The Revolution, like Saturn, devours its own children." Eventually, human nature rebels and demands a more normal life. Then the practical political and military leaders depose the extremists.

Finally in the case of the French Revolution, there was the temptation, to which they quickly yielded, to indulge in foreign military adventure, and -- eventually the access to the power of the military man on horseback, Bonaparte. There is, naturally, considerable speculation

not applicable to atomic situation
these days as to whether this last phase of the French Revolution will be repeated in the case of Soviet Communism. I have no crystal ball answer, but certainly it is one of the possible lines of evolution in the Soviet Union.

Approved For Release 2001/03/04 : CIA-RDP80-01446R000100020006-9

What I am suggesting is that Communism in the Soviet Union has

run through some such course as the French Revolution - and I believe

Chinese Communism is in somewhat the same cycle.

Student and intellectual ~~xxx~~ unrest is a troublesome challenge

to a dictatorship. The Chinese Communists experimented briefly with

placating critics by liberalizing their thought-control system --

enunciating the doctrine known as "let a hundred flowers bloom,

let a hundred schools of thought contend." In the face of the far-reaching

criticisms voiced by Chinese intellectuals, the Peiping regime quickly

backed-water and has only a few weeks ago resumed the practice of

publicly executing students who dared to suggest that China's ills

result in part from flaws in the Communist system itself. ~~EXXEXX~~

On the other hand, I do not wish to leave the impression that

the coming demise of the Communism of the Lenin and Stalin days

has left the Soviet Union weak or that because it faces a series of

Approved For Release 2001/03/04 : CIA-RDP80-01446R000100020006-9

difficult problems, the Soviet no longer presents a serious threat.

Quite the contrary, the fact that it has run through this cycle, faces these problems, and is striking out in new ways to meet them, may mean new dangers for us.

*agree
make
topic of
paper*

Throughout the entire revolution, once the Communist regime was firmly established in Russia, the emphasis was placed on heavy industry, and on building up the war machine. This has been a constant policy and has been one segment of Soviet life that has not been affected by changing leaders or interpretations of Communist ideology.

After all, the men who are at the helm in the Soviet Union are not the original revolutionary heroes. Khrushchev and Mikoyan and their *dedicated communists* henchmen belong to the ever-present class of political careerists who see in a revolutionary movement their only path to power and privilege. They did not make the revolution, like Lenin. It made them, and they want above all else to preserve their positions.

K has proper of world trump

~~28~~
29

While Marxism at one time or another has invaded most segments of Soviet life, including the army with its political commissar and indoctrination agents, those who have planned the Soviet military build-up have been little hampered by it. In their concentration on the fields of nuclear energy, aircraft design and construction, and the development of guided missiles, they experienced little ideological interference except during brief periods of Stalin's last mad days.

Take, for example, the case of the guided missiles. Here they never ceased work from the days of 1945 when they took over the German missile installation at Peenemuende with its rocket range between 150 to 200 miles. Now we know they have developed modern missiles of many times the power and efficiency of the German wartime models.

Thus the Soviet Union we face today presents a series of contradictions. Its leader has practically unrestrained power except

for such control as the military may exercise, backed by a formidable war machine -- a leader committed by his express policies to improve the lot of his people, and presumably committed also to relax the harsh controls of Stalin which he has described so vividly himself and which he purports to abhor.

At the same time, this leader, Khrushchev, faces the dilemma that any substantial relaxation at home or abroad, given the nature of the Communist dictatorship as it has evolved, may spell his own downfall. For he faces, and he knows it, a people who are questioning not only the basic tenets of Marxist Communism, and in particular a student body that is becoming more and more vocal in *methods but not the "system"* have demanding that it/~~xxx~~ access to the truth.

Communist leaders are facing a growing body of highly educated, technologically competent men and women in the field of industrial management and production. It will prove no easier for them to stop the growing wave of intellectual unrest in the Soviet

Union than it is to stop the tides, as he cannot turn back education or

technological development of the people and keep the USSR a great power.

But at the same time, this leader is in a hurry to solve a whole series of problems such as I have described and gain the personal success necessary to maintain his own position.

In addition to all this, he has deeply committed himself in certain foreign adventures, particularly in the Middle East - partly *but only partly*

it may be assumed, to distract attention from problems at home. All

this rightfully makes us cautious in our judgments and does not suggest that there are any quick or easy ways out in our relations with the USSR.

But over the longer range, we have the assurances that neither revolutionary Communist tyranny nor any kind of dictatorship of the proletariat or otherwise provide the final answer or the satisfactory answer to the needs of a civilized community. No power on earth can restore the myth that Communism is the wave of the future after